

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 9240

IN THE MATTER OF:

Served January 6, 2006

Investigation of Prescription of)
Interstate Taxicab Rates and)
Charges)

Case No. MP-2005-132

Under the Washington Metropolitan Area Transit Regulation Compact,¹ (Compact), the Commission is responsible for prescribing the rates, charges, regulations, and minimum insurance requirements for interstate taxicab trips in the Washington Metropolitan Area.²

The Commission issued Order No. 9065 on October 18, 2005, seeking comments on:

1. Whether and to what extent the Commission should increase the current interstate base rate, and restore/retain/increase the recently adopted \$1 interstate fuel surcharge, for District of Columbia taxicabs and Washington Flyer taxicabs -- and how interstate rates should be displayed in such taxicabs.
2. Whether Commission policy should be amended so that the extra-passenger charges prescribed by licensing jurisdictions and the rules under which they apply are adopted for use on interstate trips in the same manner that the Commission adopts other incidental charges prescribed by licensing jurisdictions.
3. Whether Commission policy should be amended so that snow emergency charges prescribed by local meter jurisdictions and the rules under which they apply are adopted for use on interstate trips in the same manner that the Commission adopts other incidental charges prescribed by local meter jurisdictions, and whether snow emergency charges for District of Columbia taxicabs and Washington Flyer taxicabs should be developed using the methodology for developing fuel surcharges.

Notice of this proceeding was published in the Washington Times on October 20, 2005, and a copy of Order No. 9065 was served on District of Columbia taxicab companies and Dulles Taxi Systems, Inc., (DTS), the Washington Flyer concessionaire at Washington Dulles International Airport (Dulles Airport). In addition, a copy of Order No. 9065 has been posted on the Commission's website, www.wmatc.gov, since the order was issued.

The Commission received comments on the base-rate/fuel-surcharge question from DTS and from the Metropolitan Washington Airports Authority (MWAA), which operates Dulles Airport. No comments were received regarding extra-passenger and snow emergency charges.

I. JURISDICTION

¹ Pub. L. No. 101-505, § 1, 104 Stat. 1300 (1990) (codified at D.C. CODE ANN. § 9-1103.01 (2005); MD. TRANSP. CODE ANN. § 10-203 (2005); & VA. CODE ANN. §§ 56-529, 530 (2005)).

² Compact, tit. II, art. XI, § 1(b).

The Commission's interstate taxicab jurisdiction only applies when the taxicab: (a) has a seating capacity of 9 persons or less, including the driver; and (b) provides transportation from one signatory to another within the Metropolitan District.³

The Metropolitan District includes: the District of Columbia; the cities of Alexandria and Falls Church of the Commonwealth of Virginia; Arlington County and Fairfax County of the Commonwealth of Virginia, the political subdivisions located within those counties, and that portion of Loudoun County, Virginia, occupied by the Washington Dulles International Airport; Montgomery County and Prince George's County of the State of Maryland, and the political subdivisions located within those counties; and all other cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of those counties, cities, and airports.⁴

Solely for the purpose of setting interstate taxicab rates, charges, regulations, and minimum insurance requirements, the Metropolitan District also includes that portion of Anne Arundel County, Maryland, occupied by the Baltimore-Washington International Airport, (BWI), but this expansion of the Metropolitan District to include BWI does not apply to trips conducted by a taxicab licensed by the State of Maryland or a political subdivision of the State of Maryland, or operated under a contract with the State of Maryland.⁵

II. BASE RATE AND FUEL SURCHARGE COMMENTS

As explained in Order No. 9065, the Commission sets the base rate and fuel surcharge for interstate trips in DC taxicabs and Washington Flyer taxicabs relative to the median of the range of rates and surcharges adopted by local meter jurisdictions in the Washington Metropolitan Area. The base rate is prescribed in half-mile increments for ease of application by DC taxicab operators who use odometer readings to calculate trip length. That rate is then converted into a one that can be set on Washington Flyer taxicab meters.

A. DTS and MWAA Comments

DTS says the length of the average trip from Dulles Airport is in excess of twenty miles. Based on that and other factors, DTS proposes a base rate of \$2.75 for the first one-fifth mile or fraction and \$0.35 for each additional one-fifth mile or fraction, plus a \$0.35 charge for each sixty seconds of waiting time. DTS also advocates increasing the current \$1.00 fuel surcharge for Flyer Taxicabs to \$2.00 and extending the surcharge "until such time as gas prices return to June 2005 levels but, in any event, "until such time as the preponderance of local jurisdictions remove their surcharges." MWAA supports DTS's proposal.

We find that the price of gasoline in the Washington Metropolitan Area has generally returned to June levels. According to the American Automobile Association (AAA), the average price for a gallon of regular gasoline in the Metropolitan Area was \$2.26 as of November 17, 2005.⁶ This compares to \$2.21 as of June 29, 2005.⁷

³ See Compact, tit. II, art. XI, § 3(f) (excluding from the Commission's jurisdiction matters other than rates, charges, regulations, and minimum insurance requirements relating to taxicabs described in art. XI, §§ 1(b), 2).

⁴ Compact, tit. I, art. I.

⁵ Compact, tit. II, art. XI, § 2.

⁶ http://www.aaamidatlantic.com/safety/release_content.asp?id=2454.

⁷ http://www.aaamidatlantic.com/safety/release_content.asp?id=2205.

As can be seen in the Tables 1 and 2 below, the 20-mile fare produced by DTS's proposed base rate compares favorably to the median of the range of 20-mile fares produced by rates adopted by the local meter jurisdictions, whether or not existing fuel surcharges are considered.

Table 1
DC Area Fares -- Excluding Fuel Surcharges

	<u>Five Miles</u>	<u>Ten Miles</u>	<u>Fifteen Miles</u>	<u>Twenty Miles</u>
Alexandria	\$10.75	\$18.75	\$26.75	\$34.75
Arlington	11.45	20.45	29.45	38.45
Fairfax	11.15	19.90	28.65	37.40
Montgomery	10.50	18.50	26.50	34.50
Prince George's	10.00	18.75	27.50	36.25
Median	10.75	18.75	27.50	36.25
DTS Proposal	11.15	19.90	28.65	37.40

Table 2
DC Area Fares -- Including Fuel Surcharges

	<u>Five Miles</u>	<u>Ten Miles</u>	<u>Fifteen Miles</u>	<u>Twenty Miles</u>
Alexandria	\$11.75	\$19.75	\$27.75	\$35.75
Arlington	11.45	20.45	29.45	38.45
Fairfax	12.15	20.90	29.65	38.40
Montgomery	12.00	20.00	28.00	36.00
Prince George's	12.00	20.75	29.50	38.25
Median	12.00	20.45	29.45	38.25

DTS Proposal	13.15	21.90	30.65	39.40
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Adding a two-dollar surcharge, however, would result in the highest fares in the metropolitan area. As explained in Order No. 6226, "[t]he Commission has never believed it should lead the way in setting taxicab rates."

B. Approved Base Rate

The DTS proposed base rate is predicated on fifth-of-a-mile increments and thus does not translate easily into a half-mile rate for DC Taxicabs. We will approve a somewhat similar rate of \$3.25 for the first half mile or fraction and \$0.90 for each additional half mile or fraction. As shown in the Table 3, the approved base rate yields fares that are close to the median when current area fuel surcharges are considered, without exceeding the highest local fares when current fuel surcharges are not considered (see Arlington fares, Table 1 above).

Table 3
DC Area Fares -- Including Fuel Surcharges

	<u>Five Miles</u>	<u>Ten Miles</u>	<u>Fifteen Miles</u>	<u>Twenty Miles</u>
Median	12.00	20.45	29.45	38.25
Approved	11.35	20.35	29.35	38.35

The tables above were derived from the following rates currently in effect in the Washington Metropolitan Area.⁸

Alexandria	\$2.75 initial drop + \$0.40 per 1/4 mi.
Arlington	\$2.75 first 1/6 mi. + \$0.30 ea. add. 1/6 mi.
Fairfax	\$2.75 first 1/5 mi. + \$0.35 ea. add. 1/5 mi.
Montgomery	\$2.50 initial drop + \$0.40 ea. add. 1/4 mi. to 15 mi. + \$0.30 ea. add. 1/4 mi. thereafter
Prince George's	\$1.50 first 1/7 mi. + \$0.25 ea. add. 1/7 mi.

Consistent with Order No. 6226, we shall convert the approved half-mile-increment rate for DC taxicabs to a quarter-mile-increment rate for Washington Flyer taxicabs, as follows: \$2.80 for the first

⁸ See <http://www.arlingtonva.us/Departments/CountyBoard/meetings/2005/oct/1015/32.pdf>; Order No. 9065 at 5 n.19.

quarter mile or fraction, and \$0.45 for each additional quarter mile or fraction.

Finally, DTS has requested that the waiting charge be increased from \$18 per hour to \$21 per hour. As it turns out, \$21 per hour is the median of the range of local waiting time rates. Those rates are, in descending order:

Montgomery County	\$24.00/hr.
Arlington County	22.50/hr.
Fairfax County	21.00/hr.
City of Alexandria	18.00/hr.
Prince George's County	12.00/hr.

We shall approve DTS's requested waiting time charge, as follows: \$0.35 for each sixty seconds of waiting time.

C. DCTC Comments

As noted in Order No. 9065, the District of Columbia Taxicab Commission (DCTC) urged the Commission to consider raising interstate base rates without reference to the base rates of surrounding jurisdictions. Instead, DCTC suggested the Commission determine the appropriate base rate by considering and reviewing: Bureau of Labor statistics regarding DC taxicab operators; changes in "the inflation rate" and the "Cost of Living Index" since 2001; wage estimates, mean annual income and insurance premium rates for taxicab operators in DC and surrounding jurisdictions; the "Consumer Price Index" for taxicab vehicle maintenance costs; and AAA fuel price data for DC and surrounding jurisdictions.

We have explicitly factored into our analysis AAA area gasoline price data and implicitly factored into our analysis many of the other indicators identified by DCTC, inasmuch as some or all of the local meter jurisdictions consider much of the same information in their analysis when setting the rates that undergird our analysis.⁹

D. Display of Rates

Commission Order No. 91, served November 15, 1961, requires that a "legible sign (or signs) shall be displayed in each taxicab [domiciled and licensed in the District of Columbia], clearly visible to each passenger, giving a description of the rates and charges approved by the Washington Metropolitan Area Transit Commission." Commission Order No. 101, served December 1, 1961, further provides that the sign "shall be displayed on the left rear window."

Similarly, DTS has been displaying in the rear right window of Washington Flyer taxicabs the rates and incidental charges approved by this Commission for interstate trips in the Metropolitan District.

Inasmuch as we received no comments on this issue, and rear-window display is appropriate and well calculated to apprise riders of the rates and charges that apply on interstate trips within the Commission's jurisdiction, we see no reason to adopt a new display policy or rule at this time. Accordingly, Commission approved

⁹ See ALEXANDRIA, VA., CODE § 9-12-28, "Annual survey of economic conditions of taxi industry" (2005) (financial information); ARLINGTON COUNTY, VA., CODE § 25-10(5), "Records required" (2004) (financial and statistical information); FAIRFAX COUNTY, VA., CODE § 84.1-6-2, "Changes in rates, fares and charges; procedures" (2005) (financial and statistical information); MONTGOMERY COUNTY, MD., COMCOR § 53.00.01, "Taxicab Industry Reporting Requirements" (2003) (financial information); PRINCE GEORGE'S COUNTY, MD., CODE § 20-160(d), "Rates" (2003) (financial information).

interstate rates and charges shall continue to be displayed in one of the rear windows of each DC taxicab and Washington Flyer taxicab.

III. EXTRA-PASSENGER CHARGE

Order No. 9065 invited the public and other interested parties to comment on whether Commission policy should be amended so that extra-passenger charges prescribed by local licensing jurisdictions and the rules under which they apply become adopted for use on interstate trips in the same manner that the Commission adopts other incidental charges prescribed by licensing jurisdictions. The Commission received no comments on this issue.

Each of the local licensing jurisdictions specifies an extra-passenger charge that applies to preformed groups. All jurisdictions but Alexandria specify a charge of \$1.00 per extra passenger. Alexandria's extra-passenger charge is \$1.25. In addition, each jurisdiction publishes rules for determining when extra passengers ride free.

Since Order No. 2068 was served December 6, 1979, the Commission has prescribed a single extra-passenger charge/free rider policy applicable to all interstate trips, in all taxicabs, on the grounds that doing so "would tend to promote greater use of taxicabs by families and would also promote the uniformity between interstate and intrajurisdictional rates which has been a goal of this Commission since its assumption of jurisdiction over interstate rates in 1961."¹⁰

Adopting the locally prescribed charge and free rider policy is just as likely to promote greater use of taxicabs by families as prescribing a uniform charge/free rider policy. Further, today, the extra-passenger charge is the only rate or charge that applies uniformly to all interstate taxicab trips in the Washington Metropolitan Area. Moreover, this uniformity is achieved at the expense of a rate structure that is easier for passengers and drivers to understand and conflicts with the goal of prescribing "the rates and charges presently in effect in the local jurisdictions as the interstate rates and charges to the greatest extent possible."¹¹

Accordingly, henceforth, the extra-passenger charge/free rider policy for an interstate trip in a locally-licensed taxicab shall be the extra-passenger charge/free rider policy set by the licensing jurisdiction for a taxicab trip within its borders.

III. SNOW EMERGENCY CHARGE

Order No. 9065 also invited the public and other interested parties to comment on:

- A. whether Commission policy should be amended so that snow emergency charges prescribed by local meter jurisdictions and the rules under which they apply are adopted for use on interstate trips in the same manner that the Commission adopts other incidental charges prescribed by local meter jurisdictions; and
- B. whether snow emergency charges for District of Columbia taxicabs and Washington Flyer taxicabs should be developed using the methodology for developing fuel surcharges, as described above.

No comments were received on this issue, either.

¹⁰ In re Interstate Taxicab Extra-Passenger Rates, No. MP-79-35, Order No. 2068 (Dec. 6, 1979).

¹¹ Order No. 67 at 2.

Snow emergency charges are among the various incidental taxicab charges currently authorized by The City of Alexandria, Virginia, Prince George's County, Maryland, Montgomery County, Maryland, and the District of Columbia. The Alexandria charge is \$5.00 and applies "during any period in which a snow emergency plan is in effect in the city, as declared by the city manager or his authorized representative."¹² The Prince George's County charge is \$3.00 and applies when the Prince George's County Executive determines that "snow emergency conditions" exist.¹³ The Montgomery County charge is \$2.50 and applies "in the event a snow emergency is declared by the State for the County."¹⁴ In the District of Columbia, zone fares are doubled "during periods of snow emergency as declared by the District of Columbia Taxicab Commission."¹⁵

The Commission has never approved a snow emergency charge for interstate taxicab trips and has essentially banned any since 1979, when the Commission analogized a snow emergency charge to a rush-hour charge and declared that either charge "would be counter productive and over-compensatory if added to other interstate rates, inasmuch as drivers would be likely to give undue preference to interstate [trips] at the expense of intra-D.C. passengers."¹⁶ The Commission, however, has since reversed its position on a rush-hour charge.¹⁷

This leaves the additional reason for a ban offered by the Commission in 1982:

Declaration of snow emergencies, like the snowfall itself, differs from jurisdiction to jurisdiction. A taxicab driver working on the street is often in a poor position to know when and where a snow emergency situation has been invoked or cancelled, and an interstate trip always involves at least two jurisdictions. If snow emergency rates, locally invoked and applied, are not sufficient to induce drivers to operate their taxicabs during these difficult times, doubling interstate rates will add little incentive.¹⁸

In retrospect, a uniform ban on snow emergency charges seems inconsistent with the point that snow does not fall uniformly across the metropolitan area. Surely local officials should know best whether a snow emergency declaration is warranted for the taxicabs that they license. Moreover, like the uniform extra-passenger charge, the uniform ban on snow emergency charges is achieved at the expense of a rate structure that conflicts with the goal of prescribing "the rates and charges presently in effect in the local jurisdictions as

¹² ALEXANDRIA, VA., CODE § 9-12-132(10).

¹³ PRINCE GEORGE'S COUNTY, MD., CODE, Subtitle 20, § 20-160.01 (2000).

¹⁴ MONTGOMERY COUNTY, MD., COMCOR § 53.17.01 (2004).

¹⁵ See <http://dctaxi.dc.gov/dctaxi/site/default.asp> (zone map).

¹⁶ In re Interstate Taxicab Rates, No. MP-79-33, Order No. 2067 at 5 (Dec. 6, 1979).

¹⁷ See In re Interstate Taxicab Rates, No. MP-96-57, Order No. 4973 (Nov. 19, 1996) (adopting morning rush-hour surcharge and lifting restriction on evening rush-hour surcharge for DC taxicabs); In re Interstate Taxicab Rates, No. MP-85-07, Order No. 2719 at 12 (June 17, 1985) (adopting restricted evening rush-hour surcharge for DC taxicabs).

¹⁸ In re Interstate Taxicab Rates, No. MP-82-03, Order No. 2334 (May 7, 1982).

the interstate rates and charges to the greatest extent possible."¹⁹ At the very least, the Commission's current policy treats snow-emergency charges as though they were not an integral part of locally-approved rate structures.

It should also be noted that in 1982, the Commission was responding to a specific proposal from a DC taxicab operator to double fares for interstate trips in DC taxicabs during snow emergencies. Doubling an odometer-based interstate fare would be just as unreasonable today as it was in 1982, as Tables 1 and 2 above reveal. Much has changed since 1982, however. A majority of local meter jurisdictions have since concluded that snow emergency charges make sense, and the specific charges they have prescribed are reasonable when applied to an odometer-based rate structure. Hence, prescribing an interstate snow emergency charge for DC taxicabs based on the median of such charges prescribed by local meter jurisdictions would be both reasonable and consistent with our current method of prescribing an interstate fuel surcharge for DC taxicabs based on the median of such charges prescribed by those same jurisdictions.

Therefore, henceforth, the snow emergency charge for an interstate trip in a locally-licensed metered taxicab shall be the snow emergency charge set by the licensing jurisdiction for a taxicab trip within its borders. The snow-emergency charge for DC taxicabs and Washington Flyer taxicabs shall be the median of such charges set by the local meter jurisdictions, or \$2.50 per trip.

The snow emergency charge for an interstate trip in a locally-licensed metered taxicab shall apply when the licensing jurisdiction says it applies. The snow emergency charge for interstate trips in DC taxicabs and in Washington Flyer taxicabs shall apply during periods of snow emergency as declared by the District of Columbia Taxicab Commission.

Although the District of Columbia is not the "home" jurisdiction for Washington Flyer taxicabs, DC is centrally located with respect to Montgomery and Prince George's Counties, MD, and approximately midway between Dulles Airport and Thurgood Marshall Baltimore-Washington International Airport (BWI). DC, Montgomery, Prince George's and BWI are the only areas in the Metropolitan District which trigger our jurisdiction with respect to taxicab trips beginning or ending at Dulles Airport.

In addition, whether the District of Columbia has declared a snow emergency is easily confirmed by calling the Mayor's Citywide Call Center at 202-727-1000.

It thus appears reasonable to permit Washington Flyer taxicab operators to collect the snow emergency charge when a snow emergency has been declared in DC.

THEREFORE, IT IS ORDERED:

1. That effective, February 5, 2006, the base rate and incidental charges for an interstate trip between points in the Metropolitan District in a taxicab licensed by the District of Columbia shall be the base rate and incidental charges specified in Appendix A to this order.

2. That effective, February 5, 2006, the base rate and incidental charges for an interstate trip between points in the

¹⁹ Order No. 67 at 2.

Metropolitan District in a Washington Flyer taxicab shall be the base rate and incidental charges specified in Appendix B to this order.

3. That effective, February 5, 2006, applicable Commission approved interstate rates and charges shall continue to be displayed in the right rear window of each Washington Flyer taxicab and in the left rear window of each taxicab licensed by the District of Columbia.

4. That effective, February 5, 2006, the base rate and incidental charges (including any fuel surcharge, extra-passenger charge, and snow emergency charge) for an interstate trip between points in the Metropolitan District in a locally-licensed metered taxicab shall be the same as those prescribed by the licensing jurisdiction for trips within its own borders; provided, that no fuel surcharge shall apply to any multiple-party trip within this Commission's jurisdiction.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS YATES, MILLER, AND SMITH:

William S. Morrow, Jr.
Executive Director

Appendix A to Order No. 9240
Effective February 5, 2006, at 12:01 a.m.

INTERSTATE TAXICAB RATES
FOR TAXICAB SERVICE WITHIN THE
WASHINGTON METROPOLITAN AREA TRANSIT DISTRICT
(In taxicabs licensed and regulated by the District of Columbia)

- \$3.25 First 1/2 mile or fraction
- .90 Each additional 1/2 mile or fraction
- 1.50 Each additional passenger in a pre-formed party (provided, however, that one child five (5) years of age or younger shall be transported without charge when accompanied by an older person)

Hand baggage, including large bags of groceries or articles of similar size, in excess of one piece per passenger shall be charged for at the rate of 50¢ for each such piece. Briefcases and parcels of comparable size shall not be considered as hand baggage.

Trunks and similar large articles shall be charged for at the rate of \$2.00 each. A trunk is defined as a piece of baggage having a minimum dimension or cubic content in excess of 32 inches by 18 inches by 9 inches or 3 cubic feet.

The charge for personal service, defined as any service requested by a passenger which requires the taxicab driver to leave the vicinity of the taxicab, shall be \$2.00.

The charge for taxicab service in response to a telephone call shall be \$2.00 in addition to all other charges.

The charge for dismissal of a taxicab without using it after response to a telephone call shall be \$1.50 in addition to the \$2.00 charge for responding.

The charge for waiting time shall be:

- Up to 4 min., 59 sec. -- No charge
- 5 min. up to 9 min., 59 sec. -- \$2.00
- 10 min. to 14 min., 59 sec. -- \$3.50
- Upon waiting 15 min. -- \$6.25 each 15 min. or fraction

There shall be a surcharge of \$1.00 per trip for trips commencing between 7 a.m. and 9:30 a.m. and between 4 p.m. and 6:30 p.m., Monday through Friday, except District of Columbia or federal holidays.

There shall be a surcharge of \$2.50 per trip during periods of snow emergency declared by the District of Columbia Taxicab Commission.

Appendix B to Order No. 9240
Effective February 5, 2006, at 12:01 a.m.

INTERSTATE TAXICAB RATES
FOR TAXICAB SERVICE WITHIN THE
WASHINGTON METROPOLITAN AREA TRANSIT DISTRICT
(In Washington Flyer taxicabs)

- \$2.80 First 1/4 mile or fraction
- .45 Each additional 1/4 mile or fraction
- .35 Each 60 seconds of waiting time (\$21.00/hour)
- 1.50 Each additional passenger in a pre-formed party (provided, however, that one child five (5) years of age or younger shall be transported without charge when accompanied by an older person)

Hand baggage, including large bags of groceries or articles of similar size, in excess of one piece per passenger shall be charged for at the rate of 50¢ for each such piece. Briefcases and parcels of comparable size shall not be considered as hand baggage.

Trunks and similar large articles shall be charged for at the rate of \$2.00 each. A trunk is defined as a piece of baggage having a minimum dimension or cubic content in excess of 32 inches by 18 inches by 9 inches, or 3 cubic feet.

The charge for personal service, defined as any service requested by a passenger which requires the taxicab driver to leave the vicinity of the taxicab, shall be \$2.00.

There shall be a surcharge of \$2.50 per trip during periods of snow emergency declared by the District of Columbia.